

City of Hickory Payroll Policy and Procedures

The purpose of the following policy and procedures is to ensure full compliance with the Fair Labor Standards Act in all City departments.

This policy pertains to all covered non-exempt City employees. City department heads and supervisors are responsible for the administration of this policy.

The Human Resources Division of the Administrative Services Department will conduct periodic audits on City departments' compliance with this policy.

I. General

- a. The City of Hickory has a weekly (52) and also a semi-monthly (24) payroll.
- b. The City has a 40 hour work week, a 37.5 hour work week, an 80.5 hour work period (police officers) and a 216 hour work period (fire fighters).
- c. All hours worked must be recorded on the department's time keeping system. Employees must accurately record all work time, and only work time, on the City's time keeping system as provided by their department.
- d. If an employee elects to keep a personal record of his/her hours, any discrepancies between the employee's record and the City's record must be reported to the employee's supervisor within 14 days of the paycheck date in which the discrepancy occurred. Failure to report the discrepancy within the 14 day time frame shall constitute the employee's agreement that the City's record is the accurate record for hours worked for that pay period.
- e. All employees must start and stop work as scheduled and assigned. Employees working prior to or after their scheduled time without approval are subject to discipline. See Article V., Section 10, City of Hickory Personnel Ordinance.
- f. Regarding clocking-in and clocking-out, the City has the following "long-punching" rule. Employees using a time clock must clock in no more than five (5) minutes prior to their scheduled start time and must not begin productive work until their scheduled start time. Early clock-ins and late clock-outs within this five-minute threshold are not calculated as hours worked based on the City's long punching rule. The long punching rule is that the five minutes prior to start time or after quitting time for locations in which groups of people clock-in/out at the same time is not considered time worked (See exception for the Public Services Department in Section IX.b.).
- g. Employees using written time records must follow the same rules as are applied to employees using time clocks. However, on written time sheets, only the times when the employee actually starts and stops work is recorded. Supervisory approval is needed for any deviations from the normal work day.
- h. Only supervisors may record time for the employee who reports to work directly on the job site, where there is no time clock/card access. A complete and signed

explanation must be included on the time card whenever a supervisor "clocks in" his or her employees.

- i. **Rounding of minutes:** Only actual work time should be recorded and no rounding of such time is permitted. The City compensates for all hours of actual, productive work and each supervisor is responsible for checking the accuracy of the time records. The only exception is when the long punching rule in section I.f. is applied.
- j. **Employees who are taking an unpaid break,** such as a lunch or dinner break, must be completely relieved of their duties. In order to assure that no productive work is taking place during this unpaid break, employees may not spend this unpaid break in their office, at their desk or in their assigned work station/area. Unpaid meal periods must be at least 30 minutes in duration and are scheduled by the department. Departments will identify a designated break space if feasible.
- k. **Departments may designate positions where it is not possible for the employee to leave their work station to take an unpaid break.** These employees may eat and take a break at their work station, and this entire break is considered paid (compensable) time. Supervisors and department heads, in consultation with Human Resources, must approve paid lunch and dinner breaks for these designated positions.

II. **Overtime**

- a. **All non-exempt employees will qualify for Federal Labor Standards Act (FLSA) overtime only when the combination of two factors occurs: (1) the employee worked in excess of 40 hours (80.5 for police officers and 204 for firefighters in the same work period) in a given work week, and (2) the employee physically worked 40 hours (80.5 for police officers and 204 for firefighters in the same work period) in the same work week. Physically worked hours include only those hours the employee was physically at work during the applicable work week (or work period for Fire and Police). The use of any form of leave or accrued time does not qualify for physically worked hours.**
- b. **When the two factors in II.a. are met, FLSA overtime applies only to the hours in excess of 40 in a given work week and is calculated at one and one-half times (1.5) salary for the additional hours in the same work week. The overtime standard for law enforcement officers and firefighters is further addressed in Section VII.c and VIII.c respectively.**
- c. **The City of Hickory's preferred method of payment for FLSA overtime is compensatory time. Per the City of Hickory Leave policy, the City requires the use of earned compensatory time before the use of all other forms of leave.**
- d. **Employees who work a 37.5 hour work week receive compensatory time at their regular rate for hours between 37.5 and 40.**
- e. **Hours for working a holiday are not overtime hours unless they are hours meeting the two factors in II.a. Employees working on City designated holidays do earn the applicable amount of straight hours all employees receive for the holiday, in addition to their hours worked.**

- f. Overtime hours are those work hours earned on a work week basis (or work period basis for Police and Fire) and shall not be calculated on a daily basis.
- g. Employees, who are scheduled to work a holiday, and receive holiday pay and regular rate pay, may not convert either pay to compensatory time off.

III. Special Event & Unscheduled Call-back Pay

The City of Hickory has chosen to compensate employees at one and one-half times (1.5) salary in special situations, even when the overtime pay is not required by the FLSA. These special situations are defined below and must be approved by the department head and noted on the time card and/or time sheet. Special payroll codes are available for each of these exceptions and must be used by the payroll administrator of each department. These special pays are not considered overtime and should not be coded as such.

- a. **Special Event Pay:** The City of Hickory has many special events that require many City departments to provide city services. Employees who work "special events" will receive special event pay of one and one-half (1.5) times salary for the hours worked for the events, only when the event falls outside of the employee's normal work schedule. These special events will be defined and approved by the supervisor and department head prior to their occurrence. Working an event that occurs during normally scheduled hours is not qualified special event.
- b. **Unscheduled Call-Back Pay:** There may be situations in which employees are called back for work that cannot wait until the regular work day begins. Unscheduled call-backs occur when there is a danger to the public, a severe weather event, a resource that must be put in place immediately or an occurrence that must be stopped immediately. Unscheduled call-backs will be defined and approved by the supervisor and department head and can occur in all City departments. Employees who work approved, unscheduled call-back hours will receive one and one-half (1.5) times salary for those hours worked during the unscheduled call-back.

IV. Assigned Take-Home (Commuting) Vehicles

All non-exempt City employees who are assigned a take-home vehicle to use must complete the "Commuting in Employer Vehicle Agreement" which is placed in their personnel file.

V. Internships and Vocational Exploration

Both the City of Hickory and the intern benefit from the internship relationship. The City of Hickory is a strong supporter of education and values the hands-on application of classroom learning.

- a. All proposed internships should be discussed with and approved by the Administrative Services Director or his/her designee.

- b. Internships may be paid or unpaid, depending on the department budget and the type of work being performed by the intern.
- c. An internship must be paid if the intern is performing independent work, without close and consistent supervision, that clearly benefits the City.
- d. An internship may be unpaid only if one of the following two situations applies:
 - i. If the internship is solely a "shadow" type situation for a short period of time where the intern is not performing independent work that clearly benefits the City.
 - ii. If the internship is clearly associated with a High School or college/university program and is a mandatory requirement to complete the curriculum or results in official credit toward graduation. Internships such as these must be closely supervised by the school and by the City personnel assigned to the student. In such cases the supervisor needs to forward to Human Resources a written agreement with the school which details the benefit the intern receives from the school for completing the internship.

VI. Age Limit

- a. No one under the age of 16 may be employed in any position with the City of Hickory.
- b. Due to the nature of some positions, the minimum hiring age of certain positions may be 18 years of age and in the case of the Police Department, 20 years of age. The minimum age will be clearly stated in the job advertisement.

VII. Police Department

- a. Patrol officers' compensation is considered an annual salary paid semi-monthly.
- b. Police officers are considered on-duty at their scheduled work time or as soon as they receive a call for service or make a self-initiated call for service.
- c. Police officers working the 14-day work period qualify for FLSA overtime only when the combination of two factors occur: (1) the officer worked in excess of 80.5 hours in a given work period, and (2) the officer physically worked 80.5 hours in the same work period. Police officers who work a 75 hour work period receive compensatory time at their regular rate for hours between 75 and 80.5 hours (See II.a. for definition of physically worked hours).
- d. Police K-9 officers are compensated one hours' wage each day for the care and training of the Police Canine (K-9). They must complete the K-9 agreement stating that this is adequate compensation for their care of the animal.

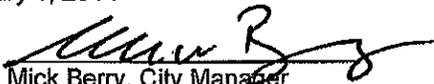
VIII. Fire Department

- a. City of Hickory firefighters work a 216 hour schedule in a 27-day work period. Total hours worked annually equals 2920. Firefighters' compensation is considered an annual salary paid semi-monthly.
- b. The overtime threshold for the 27-day work period is 204 physical hours worked.
- c. Firefighters who work the 216 hour work period qualify for FLSA overtime only when the combination of two factors occur: (1) the firefighter worked in excess of 204 hours in a given work period, and (2) the firefighter physically worked 204 hours in the same work period (See II.a. for definition of physically worked hours).

IX. Public Services

- a. Public Services employees work 37.5 and 40 hour work weeks. The majority of personnel is paid weekly, with some administrative staff being paid semi-monthly.
- b. "Long Punching": Due to the large number of employees who clock-in or out at one facility, Public Services employees may clock in up to fifteen (15) minutes prior to the start of their shift; however, they may not begin work until their actual start time. No productive work can occur during the "long punch" time. Supervisors are responsible for monitoring compliance. Employees who begin productive work outside of the established work times, without supervisory permission, will be subject to progressive discipline.

Date: January 1, 2014

Signature: 

Mick Berry, City Manager